

Message Text

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ACTION EUR-25

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R 111227Z APR 74

FM AMEMBASSY BUDAPEST

TO SECSTATE WASHDC 1147

C O N F I D E N T I A L SECTION 1 OF 2 BUDAPEST 0884

E.O. 11652: GDS

TAGS: PINT, PFOR, HU

SUBJ: REFLECTIONS ON KADAR'S SPEECH

1. SUMMARY: KADAR'S MARCH 28 SPEECH TO PARTY WORKERS AT NYIREGYHAZA, HUNGARY'S MOST BACKWARD PROVINCE AND NOT FAR FROM SOVIET BORDER, APPEARS TO BE RESPONSE TO BOTH INTERNAL (PRIMARY) AND EXTERNAL CONCERNS RE RECENT CENTRAL COMMITTEE (CC) CHANGES. PURPOSE OF SPEECH AS A WHOLE WAS TO REASSURE COUNTRY NOTHING FUNDAMENTAL HAS CHANGED AND THAT HUNGARY IS NOT REVERTING TO NARROW CENTRALLY-DIRECTED ECONOMY OR TO A NARROWLY PARTY-MEMBER ORIENTED POLICY, NOR WITHDRAWING FROM ADVANCES OF RECENT YEARS. END SUMMARY.

2. MOST NOTEWORTHY POINTS WERE:

(A) SPEECH PART OF UNUSUALLY PROMINENT PRESS ATTENTION GIVEN KADAR SINCE CC SESSION AND UNDERLINES KADAR'S CONTINUED CONTROL OVER PARTY AND GOVERNMENT;

(B) STRONG EMPHASIS ON HUNGARIAN "NATIONAL INTERESTS AND FEELINGS", INCLUDING REFERENCE TO "RED-WHITE-GREEN BANNER", SEEMS DESIGNED TO COUNTERACT FEARS RECENT CHANGES SOVIET-COMPELLED;

(C) EMPHASIS UPON HUNGARY SAYING SAME THING IN "BUDAPEST, NEW YORK AND MOSCOW" -- THOUGH PUT IN KADAR'S

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SPEECH IN A FOREIGN POLICY CONTEXT -- REPEATS MOST

DISTINCTIVE (AND MODERATE) ELEMENT IN ACZEL'S RECENT ARTICLE (BUDAPEST 0537) ON CULTURAL POLICY. COUPLED WITH KADAR'S SUBSEQUENT REFERENCE TO "SPEECH OF RAPPORTEUR" (ACZEL) ON EDUCATION, KADAR APPEARS IN THIS WAY TO BE EXPRESSING HIS CONFIDENCE IN ACZEL AND IN A KEY POLICY POINT OF ACZEL'S ARTICLE;

(D) KADAR'S ASSURANCE THAT GOH'S FRIENDS COULD TAKE IT FOR GRANTED THAT " WE ARE INDEED THEIR TRUE FRIENDS" PROVIDED SOVIETS WITH ASSURANCE OF FIRM IDEOLOGICAL SOLIDARITY AS WELL AS BASIS FOR SUBSEQUENT STATEMENT THAT "OUR CAPITALIST PARTNERS" KNOW THEY CAN NEGOTIATE WITH GOH AND REACH AGREEMENT WITH IT ON MANY QUESTIONS. THIS STATEMENT HAS APPEARANCE OF REASSURANCE TO THOSE (INTERNAL AND EXTERNAL) WHO MIGHT HAVE FEARED GENERAL POLICY SHIFT TOWARDS EVEN CLOSER ALIGNMENT WITH MOSCOW;

(E) WHAT MUST HAVE BEEN CORE OF DEBATE THAT TOOK PLACE IN RECENT CC SESSION WAS HIGHLIGHTED BY KADAR'S SPECIFICATION OF "FACTORY DEMOCRACY" AS FOREMOST CURRENT PRIORITY IN PURSUIT OF "SOCIALIST DEMOCRACY". ASSERTION WORKERS SHOULD HAVE RIGHT TO EXPRESS THEIR OPINIONS "IN PERSONAL QUESTIONS" MUST REFER TO PROPOSED TRADE UNION RIGHT TO RECOMMEND DISMISSAL OF MANAGERS (BUDAPEST 0598). KADAR'S STATEMENT THAT "PERHAPS" WORKERS MIGHT BE GIVEN OPPORTUNITY "TO DISPOSE OF CERTAIN FINANCIAL MEANS AVAILABLE" PRESUMABLY REFERS TO ONE OR ALL OF PROFIT FUNDS UNDER ENTERPRISE CONTROL. BOTH OF THESE NEW MEASURES WOULD BE HIGHLY RESTRICTIVE FROM MANAGEMENT POINT OF VIEW AND MUST HAVE BEEN KEY ELEMENTS TO WHICH NYERS OBJECTED IN THE COMMITTEE;

(F) DETAILED EFFORT TO DOWNPLAY SIGNIFICANCE OF PERSONNEL CHANGES, REASSERTING THAT THEY WERE NOTHING MORE THAN "REGROUPING" TO MEET REQUIREMENTS OF PRACTICAL WORK, WAS IN OUR OPINION UNSUCCESSFUL. AT SAME TIME IT REVEALED MORE ABOUT NOW STRONGLY ISSUE DEVELOPED. IN AN EXTENDED ELABORATION -- WHICH WE INTERPRET AS RELATING TO NYERS' DEMOTION -- HE EMPHASIZED THAT "TRUTH", NOT FRIENDSHIP, MUST DETERMINE PERSONNEL DECISIONS. HE SAID FREE DISCUSSIONS ARE WANTED IN COURSE OF MAKING A DECISION BUT THAT A UNITED STAND SHOULD BE REACHED THROUGH ARGUMENTS, "NOT ON BASIS
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OF PRESTIGE, NOT BY SHOWING AND BANGING TABLE", AND THAT "WHEN A DECISION HAS BEEN REACHED IMPLEMENTATION CAN ONLY BE A UNIFORM ONE". IMPLICATIONS ARE THAT DEBATE IN CC WAS EVEN MORE HEATED THAN NYERS' DEMOTION IMPLIES, AND THAT NYERS (AND POSSIBLY OTHERS) WERE UNWILLING TO CARRY OUT DECISIONS. KADAR'S PAINS TO EMPHASIZE THERE WAS NO ULTERIOR MEANING (REGROUPING OF CADRES WAS "WHAT HAPPENED AND NOT

SOMETHING MORE, NOT SOMETHING DIFFERENT") AND HIS STATEMENT THAT "MALEVOLENT INTERPRETATIONS" MUST BE REPULSED AND UNITY OF PARTY AND "REPUTATION OF OUR COMRADES" (PRESUMABLY THOSE WHO JOINED DECISION) DEFENDED AGAINST ANY KIND OF "MALEVOLENT SLANDER" ARE EVIDENCE THAT INTERNAL REACTIONS TO NYERS' DEMOTION MUST HAVE BEEN QUITE EXTENSIVE. OUR GUESS IS THAT WE HAVE NOT YET HEARD END OF THIS ISSUE.

(G) NEED TO REASSURE GENERAL POPULATION THAT HUNGARY IS NOT HEADED INTO A HIGHLY RESTRICTIVE PERIOD IN WHICH PARTY AND WORKER INTERESTS OVERRIDE THOSE OF ALL OTHERS WAS REVEALED IN LONG DEVELOPMENT OF POLICY OF THE WORKING CLASS AS A "POLICY OF ALLIANCE". "PRINCIPAL POLITICAL BASIS" OF HUNGARY WAS, HE SAID, PEASANT-WORKER ALLIANCE. (THERE WAS NO MENTION AT ALL OF PEASANTS -- WHO HAVE BENEFITTED MORE THAN WORKERS FROM NEM -- IN CC COMMUNIQUE). THEN HE MOVED ON TO INCLUDE INTELLENTSIA, ADDING THAT PARTY'S POLICY MEANT COMMON WORK OF PARTY AND NON-PARTY MEMBERS, COMMUNISTS AND PEOPLE "WITH OTHER WORLD VIEWS" IN BUILDING OF SOCIALISM. HE CONCLUDED THIS SECTION WITH FOUR PARAGRAPHS DEFENDING RIGHTS OF "BELIEVERS", WHO "NEED HOMES, JUST AS WELL AS NON-BELIEVERS", WHOSE RELIGIOUS FEELINGS SHOULD BE RESPECTED, AND WITH WHOM PARTY PEOPLE COULD WORK ON "COMMON OBJECTIVES OF SOCIALIST CONSTRUCTION". HE NOTED THAT "A GOOD MANY THINGS" HAD BEEN SETTLED WITH CATHOLIC CHURCH AND THAT POPE PAUL'S DECISION ON CARDINAL MINDSZENTY SHOWED THAT CATHOLIC CHURCH WAS SEEKING ITS PLACE IN MODERN WORLD. WE FEEL THIS DETAILED DISCUSSION COULD ONLY HAVE BEEN REQUIRED AS A RESULT OF SUBSTANTIAL UNEASE AMONG THESE VARIOUS GROUPS ABOUT PARTY

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C O N F I D E N T I A L SECTION 02 OF 02 BUDAPEST 0884
AND WORKER ORIENTED TONE OF COMMUNIQUE.

(H) AND OVERALL NECESSITY OF PROVIDING MAXIMUM ASSURANCE THAT PAST POLICY IS UNBROKEN IS CLEARLY REVEALED IN CONCLUSION. AFTER HAVING STATED THAT ECONOMIC, AGRICULTURAL, CULTURAL, AND INTERNAL AND FOREIGN POLICIES ARE UNCHANGED, KADAR CONCLUDED THAT HUNGARY IN BETTER CONDITION THAN WEST, WHERE GOVERNMENTS CONSTANTLY HAD TO PROMISE "NEW POLICIES" TO SATISFY PEOPLE. HE NOTED THAT IN PERIODS OF INTERNATIONAL TENSION " OR IN INTERNAL SITUATIONS THAT FROM A CERTAIN POINT OF VIEW MAY BE CONSIDERED MORE DIFFICULT", THE HUNGARIAN PEOPLE "CALMED DOWN" WHEN CONVINCED THEMSELVES THAT PARTH HAD NOT CHANGED ITS PRINCIPLES AND POLICY.

3. THIS SPEECH LIKELY TO HAVE CONSIDERABLE EFFECT UPON PUBLIC WHICH HAS MORE CONFIDENCE IN KADAR THAN IN ANY OTHER LEADER. ACTUAL EFFECTS OF ECONOMIC CHANGES, AND WHETHER NEW EDUCATIONAL POLICIES TURN OUT TO BE SERIOUSLY RESTRICTIVE OR NOT WILL, OF COURSE, ULTIMATELY BE DECISIVE. WHILE THERE IS NO VISIBLE TENSION IN HUNGARIAN SOCIETY AS RESULT OF CC COMMUNIQUE, NEVERTHELESS A GOOD DEAL MUST EXIST BENEATH SURFACE OR THIS SPEECH WOULD NO HAVE BEEN MADE. IF SO, EXISTENCE OF REACTION COULD ALSO HAVE
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AN EFFECT IN REDUCING OR LIMITING EFFECT OF CHANGES THAT HAD BEEN PLANNED.
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